



# STATE OF IOWA

CHESTER J. CULVER, GOVERNOR  
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DEPARTMENT OF HUMAN SERVICES  
KEVIN W. CONCANNON, DIRECTOR

## Informational Letter No. 719

June 11, 2008

**To:** Iowa Medicaid Home and Community Based Services (HCBS) Supported Employment Providers for Habilitation and HCBS waivers for individuals with a brain injury or mental retardation

**From:** The Iowa Department of Human Services, Iowa Medicaid Enterprise

**RE:** Service Enhancement and Cost Reporting for Supported Employment Activities to Obtain a Job

**Effective:** June 1, 2008

In response to issues presented by providers of supported employment services and county Central Point of Coordination Administrators, the Iowa Medicaid Enterprise has enhanced the employment service for Medicaid members to obtain a job. These enhancements apply to HCBS Habilitation Services and Home and Community Based Services waivers for individuals with a brain injury or mental retardation. Historically, Medicaid members have been able to receive Supported Employment, 'Activities to Obtain a Job' (Procedure Code W1430). Recent changes in Administrative Rules relating to Supported Employment, (see ARC 6676B at: <http://www.dhs.iowa.gov/policyanalysis/RulePages/RuleDocuments/RulesInProgress/arc%206676b.pdf>), changes the definition of this service and the corresponding payment methodology. This letter describes those changes.

### New Definitions

'Activities to obtain a job' (Procedure Code W1430) is being eliminated and replaced with three new components. These covered services must be directed to obtaining a job and must be provided to or on behalf of a member for whom competitive employment is reasonably expected within less than one year. Services are to focus on job placement, not on teaching generalized employment skills or habilitative goals. Three conditions must be met before services are provided.

1. First, the member and the interdisciplinary team must complete the form that Iowa Vocational Rehabilitation Services uses to identify the supported employment services appropriate to meet a person's employment needs. This form is attached and is available on the HCBS website at [http://www.ime.state.ia.us/HCBS/help\\_ownhome.html](http://www.ime.state.ia.us/HCBS/help_ownhome.html).
2. Second, the member's interdisciplinary team must determine that the identified services are necessary.
3. Third, the Iowa Medicaid Enterprise Medical Services unit must approve the services.

**The three new procedure codes for activities to obtain a job are as follows. They may be billed concurrently within the same month within the service limits described below:**

- Job development services (W5019): Job development services are directed toward obtaining competitive employment. A unit of service is a job placement that the member holds for 30 consecutive calendar days or more. Payment for this service may occur once authorized in the

service plan. A member may receive two units of job development services during a 12-month period. The activities provided to the member may include job procurement training, including grooming and hygiene, application, resume development, interviewing skills, follow-up letters, and job search activities; job retention training, including promptness, coworker relations, transportation skills, disability-related supports, job benefits, and an understanding of employee rights and self-advocacy; and customized job development specific to the consumer. The Medicaid reimbursement rate is \$900 per job placement of 30 or more days. IVRS will continue to provide a letter, upon request, confirming that the Medicaid Member is not eligible for their funding.

- Employer development services (W5020): The focus of employer development services is to support employers in hiring and retaining disabled waiver recipient members in their workforce and to communicate expectations of the business with the interdisciplinary team. Employer development services may be provided only to members who are reasonably expected to work for no more than 10 hours per week. A unit of service is one job placement that the member holds for 30 consecutive calendar days or more. Payment for this service may be made only after the member holds the job for 30 days. A member may receive two units of employer development during a 12-month period if the member is competitively employed for 30 or more consecutive calendar days and the other conditions for service approval are met. The services provided may include: Developing relationships with employers and providing leads for individual members when appropriate; job analysis for a specific job; development of a customized training plan identifying job-specific skill requirements, employer expectations, teaching strategies, timeframes, and responsibilities; identifying and arranging reasonable accommodations with the employer; providing disability awareness and training to the employer when it is deemed necessary; and providing technical assistance to the employer regarding the training progress as identified on the member's customized training plan. Most individuals will receive this service through Iowa Vocational Rehabilitation Services (IVRS). IVRS will continue to provide a letter, upon request, confirming that the Medicaid Member is not eligible for their funding. The Medicaid reimbursement rate is \$900 per job placement 30 or more days.
- Enhanced job search activities (W5021): Enhanced job search activities are associated with obtaining initial employment after job development services have been provided for a minimum of 30 days or with assisting the member in changing jobs due to lay-off, termination, or personal choice. The interdisciplinary team must review and update the Iowa Vocational Rehabilitation Services supported employment readiness analysis form to determine if this service remains appropriate for the member's employment goals. A unit of service is an hour. A maximum of 26 units may be provided in a 12-month period. The services provided may include: job opening identification with the member; assistance with applying for a job, including completion of applications or interviews; and work site assessment and job accommodation evaluation. IVRS will continue to provide a letter, upon request, confirming that the Medicaid Member is not eligible for their funding. The Medicaid reimbursement rate is actual cost with a retrospective cost settlement, up to a maximum rate of \$34.63/hour.

**Procedure Code W1430 will no longer be payable effective 6/1/08.** For any service plans that have been approved prior to 6/1/08, payments will continue to be made until the end of the individual's service

plan. As of 6/1/08, any authorizations for Job Development Activities must use the following procedure codes in ISIS:

**New services beginning June 1, 2008**

Code	Description	Unit Type	Reimbursement	Upper Limit
W5019	Job Development	Per Job	Fee Schedule	\$900/job
W5020	Employer Development	Per Job	Fee Schedule	\$900/job
W5021	Enhanced Job Search	Hourly	Retrospective Cost Settlement	Max rate of \$34.63/hour

**Establishing interim payment rates for W5021**

In order to establish an interim payment rate for W5021, Enhanced Job Search, a projected cost report must be submitted for a 12-month period.

- For HCBS-BI and MR Waivers use the following schedules from Form 470-0664, Financial and Statistical Report for Purchase of Service, and Form 470-3449, Supplemental Schedule:
  - Signed Certification Page (Form 470-0664)
  - Schedule D (Form 470-0664)
  - Supplemental Schedules D-1, D-2, D-3 (Form 470-3449)
- For Habilitation Services use Form 470-4425 Financial and Statistical Report for Habilitation Services.

The completed projected cost reports shall be submitted to the IME Provider Cost Audit and Rate Setting Unit, P.O. Box 36450, Des Moines, Iowa, 50315, or by electronic mail to [costaudit@dhs.state.ia.us](mailto:costaudit@dhs.state.ia.us).

**Applicability to Other Supported Employment Services**

Supported Employment supports to maintain employment (Procedure Codes W1431, W1432, and W1433) will not be affected by this change and are subject to normal cost reporting and cost settlement procedures.

If you have any questions regarding the above-mentioned information, please contact the Provider Cost Audit and Rate Setting Unit via email at [costaudit@dhs.state.ia.us](mailto:costaudit@dhs.state.ia.us) or by calling 866-863-8610.